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Oregon/Washington Announces Quarterly BLM Oil and Gas Lease Sale Results

PORTLAND-The Bureau of Land Management (BLM) Oregon State Office leased 10 parcels totaling 4762.81 acres of Federal land at its quarterly oil and gas lease sale. The sale netted $157,122.50 in revenue. The highly competitive nature of the bidding at the auction indicates a strong market for natural gas, known for its cleaning-burning properties and efficiency.

“Oil and gas resources from public lands are an integral part of our Nation’s domestic energy resources,” said Elaine M. Brong, State Director, Oregon and Washington BLM. “The last few years have seen an increasing interest in oil and gas leasing in Oregon and Washington.”

The Mineral Leasing Act of 1920 and the 1987 Federal Onshore Oil and Gas Leasing Reform Act authorize leasing of Federal oil and gas resources. The 1987 law, which amended the Mineral Leasing Act, requires each BLM state office to conduct oil and gas lease sales on at least a quarterly basis. This sale was consistent with the 1969 National Environmental Policy Act (NEPA) and with the BLM’s existing land-use plans, which guide management of all activities on BLM public lands.

BLM lease sales are competitive and conducted by oral bidding. For most Federal oil and gas leases, 50 percent of the revenues collected are returned to the states where the oil and gas activity occurs. In 2003, 36 states received a total of $1.1 billion as part of their share of Federal mineral revenues collected by the Interior Department’s Minerals Management Service. The total revenue shared with the states last year, which was nearly 46 percent more than the amount distributed to them in 2002, represents the states’ share of revenues collected from mineral production on Federal lands located within their borders, along with, in the case of certain states, any revenues from Federal offshore oil and gas tracts adjacent to their shores.

Less than one percent of the acreage managed by the BLM experiences surface disturbance from oil and gas activity. To minimize such impacts (the “footprint”) on the land, the Bureau analyzes the potential environmental effects from exploration and development before offering any leases for sale. All leases come with stipulations (general requirements) on oil and gas activities to protect the environment; stipulations can also include specific restrictions, such as limits on seasons when drilling can occur and restrictions on surface occupancy by oil and gas operators. Once an operator proposes exploration or development on a BLM-issued lease, the Bureau carries out further environmental analysis under the 1969 National Environmental Policy Act (NEPA) and determines the site-specific need for various types of impact-limiting or "mitigation" measures. These measures include revegetation, which controls soil erosion and helps curb the spread of weeds; the strategic placement of above-ground structures and machinery, with colors that blend in with the landscape, so as to reduce visual impacts; the establishment of any necessary buffer zones so that oil and gas activity does not adversely affect certain types of wildlife habitat; and the burying of powerlines or pipelines under or adjacent to access roads to protect wildlife and minimize visual impacts. In addition, many operators routinely use Best Management Practices -- such as remote sensing to monitor well production, which minimizes surface impacts – in conducting their oil and gas activities.

The BLM carries out its land-management mission under the authority of the 1976 Federal Land Policy and Management Act, which directs the agency to manage the public lands for multiple uses while protecting the natural, historical, and other resources of these lands. Environmentally sound production of domestic energy from fossil and renewable resources is an important part of the BLM's multiple-use mission, and energy from Federally managed sources accounts for more than 30 percent of America's energy production.

Government estimates indicate that Federal lands contain about 68 percent of all undiscovered U.S. oil and 74 percent of undiscovered natural gas. A detailed oil and gas inventory by the Interior and Energy Departments found that Federal lands in five key Western geologic basins – located in Montana, Wyoming, Utah, Colorado, and New Mexico – contain nearly 140 million trillion cubic feet of natural gas. That is enough natural gas to supply the 56 million homes now using natural gas for the next 30 years.

The BLM, an agency of the U.S. Department of the Interior, manages more land – 261 million surface acres – than any other Federal agency. Most of this public land is located in 12 Western states, including Alaska. The Bureau, with a budget of about $1.8 billion, also administers 700 million acres of sub-surface mineral estate throughout the nation.

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